Government of Saskatchewan

# Annual Report 1984-85

# Saskatchewan Legislative Assembly Members Superannuation Fund

86-03311/

His Honour F. W. Johnson
Lieutenant Governor
Province of Saskatchewan

Sir:

I have the honour to transmit herewith the Annual Report of the Members of the Legislative Assembly Superannuation Fund for the year ending March 31, 1985.

I have the honour to be, Sir,

Your Obedient Servant

Eric Berntson
Minister in Charge

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## Background

The Members of the Legislative Assembly Superannuation Fund was created to provide a pension to individuals who are elected and provide service to the Province of Saskatchewan as Members of the Legislative Assembly.

The Fund is comprised of two pension plans: a unit benefit (formula) plan for members who were first elected prior to April 1, 1979, and a money purchase plan for those members first elected on or after April 1, 1979.

Members of the unit benefit plan may elect to transfer to the money purchase plan at any time prior to the expiration of the thirtieth day after the last return of the writ of election in the general election following the date on which he ceased to be a member.

## Operation of the Fund

The Fund is credited with contributions and interest paid by members and former members, interest earned and any other revenue accruing from the investment of monies in the Fund, and such amounts paid by the Minister of Finance as required by The Members of the Legislative Assembly Superannuation Act. Payments are made out of the Fund for pensions, annuities, supplementary allowances and refunds of contributions. As a matter of course, the acquisition and disposition of the various assets of the Fund results in the payment of monies out of and receipt of monies into the Fund.

## Contributions

Members are required to contribute 9% of their indemnity, sessional and expense allowances to the Fund; as well, members with additional responsibilities contribute 9% of their additional allowance. The Minister of Finance matches the members' contributions and is required by the Act to make certain additional contributions to the Fund.

Contributions by members for the year ended March 31, 1985 totaled $274,876.

In 1984-85, twenty-two members contributed to the unit benefit plan and forty-three members contributed to the money purchase plan.

## Pensions

The Fund paid pensions to 101 former members and spouses of former members throughout the year. Pensions to these individuals were based on a formula which included years of service and an average salary figure for some portion of that service. It may also have included a supplementary allowance paid in accordance with the Act. Pensions for the year totaled $1,210,388.

## Investments

The Investment and Financial Services Division of Saskatchewan Finance invests the monies of the Fund at no cost to the Fund. Investment policy directs that the assets of the Fund shall be long-term, high-quality investments yielding the best possible return with minimum risk. The value of the investments (at cost) at March 31, 1985 was $2,637,615.

## Administration

In accordance with subsection 3(6) of the Act, the necessary expenses of administering the Fund are paid out of the Consolidated Fund.

Administration of the plans is presently assigned to the Public Employees Benefits Agency of the Department of Revenue and Financial Services.

# Members of the Legislative Assembly Superannuation Fund

## Financial Statements

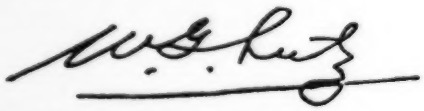
for the Year Ended March 31, 1985

# Auditor's Report

To the Members of the Legislative Assembly
Province of Saskatchewan

I have examined the balance sheet of the Members of the Legislative Assembly Superannuation Fund as at March 31, 1985 and the statements of revenue, expenditure and fund equity and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Fund as at March 31, 1985 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.



Regina, Saskatchewan,
July 8, 1985

W. G. Lutz, F.C.A.,
Provincial Auditor.

# Members of the Legislative Assembly
# Superannuation Fund
# Balance Sheet
# As At March 31

| | 1985 | 1984 |
|---|---|---|
| **Assets** | | |
| Cash at bank | $ — | $ 4,968 |
| Members' contributions receivable | 6,175 | 5,994 |
| Minister of Finance contributions receivable | 71,689 | 65,089 |
| Accounts receivable | 1,320 | — |
| Accrued interest receivable | 106,363 | 99,163 |
| Investments (Note 1) (Schedule 1) (Market value 1985 — $2,739,219; 1984 — $2,312,998) | 2,637,615 | 2,440,046 |
| | $ 2,823,162 | $ 2,615,260 |
| **Liabilities and Fund Equity** | | |
| Bank overdraft | $ 3,614 | $ — |
| Allowances payable | 16,868 | — |
| Fund equity, Unit Benefit Plan (Statement 2, Note 4) | 1,051,766 | 1,423,320 |
| Fund equity, Money Purchase Plan (Statement 2, Note 5) | 1,750,914 | 1,191,940 |
| | $ 2,823,162 | $ 2,615,260 |

(See accompanying notes to the financial statements)

# Members of the Legislative Assembly
# Superannuation Fund
# Statement of Revenue, Expenditure and Fund Equity
# Year Ended March 31

| | 1985 | | | 1984 |
|---|---|---|---|---|
| | Unit Benefit Plan | Money Purchase Plan | Total | Total |
| Revenue | | | | |
| Contributions by Members of the Legislative Assembly | $ 96,345 | $ 178,531 | $ 274,876 | $ 266,375 |
| Contributions by the Minister of Finance | 604,365 | 199,805 | 804,170 | 782,912 |
| Investment income | 136,753 | 178,822 | 315,575 | 291,655 |
| Loss on investment disposals | — | — | — | (3,367) |
| Gain on investment disposals | 1,371 | 1,816 | 3,187 | — |
| | 838,834 | 558,974 | 1,397,808 | 1,337,575 |
| Expenditure | | | | |
| Annual allowance | 1,210,388 | — | 1,210,388 | 1,157,575 |
| Excess (Deficit) of revenue over expenditure | (371,554) | 558,974 | 187,420 | 180,000 |
| Fund equity, beginning of year | 1,423,320 | 1,191,940 | 2,615,260 | 2,435,260 |
| Fund equity, end of year | $ 1,051,766 | $ 1,750,914 | $ 2,802,680 | $ 2,615,260 |

(See accompanying notes to the financial statements)

# Members of the Legislative Assembly
# Superannuation Fund
# Statement of Changes in Financial Position
# Year Ended March 31

| | 1985 | 1984 |
|---|---|---|
| **Source of Funds:** | | |
| Members' contributions | $ 274,695 | $ 271,968 |
| Minister of Finance contributions | 797,570 | 730,136 |
| Investment income | 311,562 | 284,142 |
| Cash from operations | 1,383,827 | 1,286,246 |
| Proceeds from sale of investments | 3,842,285 | 3,061,185 |
| Total resources provided | 5,226,112 | 4,347,431 |
| **Application of Funds:** | | |
| Allowances | 1,194,840 | 1,157,575 |
| Purchase of investments | 4,039,854 | 3,215,852 |
| Total resources applied | 5,234,694 | 4,373,427 |
| (Decrease) in cash | (8,582) | (25,996) |
| Cash balance, beginning of year | 4,968 | 30,964 |
| Cash balance, end of year | $ (3,614) | $ 4,968 |

(See accompanying notes to the financial statements)

## Members of the Legislative Assembly Superannuation Fund

## Notes to Financial Statements March 31, 1985

1. Accounting Policies

   a) Investments

   Investments of the fund are recorded at cost. Any difference between cost and par value is not amortized. Gains and losses are fully recognized in the year of disposition.

   b) Allocation of Income

   Investment income is allocated to the Money Purchase Plan based on a calculated average yield rate multiplied by the members' average equity balance for the year. The average yield rate is based on investments purchased since April 1, 1979.

2. Authority

   The Superannuation Fund operates under the authority of The Members of the Legislative Assembly Superannuation Act 1979 for the purpose of providing a pension to individuals who are elected and provide service to the Province of Saskatchewan as Members of the Legislative Assembly.

3. Statutory Reporting Requirements

   In accordance with Section 42 of The Members of the Legislative Assembly Superannuation Act the following information is provided:

| | 1985 | 1984 |
|---|---|---|
| Contributors to the Fund | | |
| Unit Benefit Plan | 22 | 22 |
| Money Purchase Plan | 43 | 43 |

   During the year 101 superannuates received allowances (1983/84 — 99).

4. Actuarial Valuation Unit Benefit Plan

   The last actuarial valuation of the fund as at March 31, 1983 determined that there was an unfunded actuarial liability of $15,095,597 for service to the valuation date.

   Legislation provides for the Minister of Finance to pay to the Fund an amount equal to contributions of the members, an annual payment of $500,000 and any further amounts that may be appropriated by the Legislature for the purpose of the Act.

5. Money Purchase Plan

Legislation was assented to in 1979 which continued the "unit benefit" superannuation plan (Part II of the Act) and established a new "money purchase plan" (Part III of the Act) for the members. Members elected after April 1, 1979 contribute to the "money purchase plan". Legislation was assented to in 1980 which permits members defeated in a general election the option to transfer to the "money purchase plan" before the expiration of the thirtieth day after the last return to the writ of election. During the year ended March 31, 1985, no members were eligible to transfer to the "money purchase plan". (1983/84 — no members transferred).

6. Related Party Transactions

In accordance with Section 3(6) of The Members of the Legislative Assembly Superannuation Act, 1979 the necessary expenses of administering the fund are paid out of the consolidated fund of the Province of Saskatchewan. Accordingly, no provision for these costs is included in these financial statements.

7. Comparative Figures

Certain comparative figures on the statement of changes in financial position have been reclassified to conform with current year presentation.

# Members of the Legislative Assembly Superannuation Fund

## Schedule of Investment Transactions Year Ended March 31, 1985

(Provided in accordance with the provisions of Section 42 of The Members of the Legislative Assembly Superannuation Act)

| Investments at Cost | Balance March 31, 1984 | Acquisitions | Dispositions | Balance March 31, 1985 |
|---|---|---|---|---|
| Government of Canada | $ — | $ 296,813 | $ 147,937 | $ 148,876 |
| Government of Saskatchewan | 1,945,060 | — | — | 1,945,060 |
| Government of Quebec | 4,975 | — | — | 4,975 |
| | 1,950,035 | 296,813 | 147,937 | 2,098,911 |
| Saskatchewan Union Hospitals | 30,440 | — | — | 30,440 |
| Convertible Debentures | 281,000 | — | — | 281,000 |
| Total Long Term Investment | 2,261,475 | 296,813 | 147,937 | 2,410,351 |
| Short Term Investments | 178,571 | 3,743,041 | 3,694,348 | 227,264 |
| Total Investments | $ 2,440,046 | $ 4,039,854 | $ 3,842,285 | $ 2,637,615 |